



DEFENDANT'S EXHIBIT	
CASE NO.	C04-0360P
EXHIBIT NO.	484

Resp to Costco RFP
8288

Report of Operations

July 1, 1978 through June 30, 1979

The Washington State Liquor Control Board submits its forty-sixth annual report of operations for the fiscal year ending June 30, 1979. This report is made in accordance with the requirements of RCW 66.08.028.

History

Washington and 17 other states have maintained control of liquor sales through state-operated liquor outlets and licensing of private outlets ever since Prohibition was repealed in 1934. The activities of the Washington State Liquor Control Board are directed by a three-member Board, appointed by the governor with the advice and consent of the Senate, "for protection of the welfare, health, peace, morals, and safety of the people of the state." In 45 years, not one of the control states has elected to shift to an "open", or licensing-only, structure. The most recent effort to end this state's retail liquor business and broadly liberalize licensing practices, an initiative petition, failed to attract sufficient signatures during fiscal year 79 to win a place on the ballot for a vote of the people.

Enforcement

The federal government successfully completed a major racketeering investigation in fiscal 79 which stemmed from the attempted murder in 1977 of a Board enforcement officer by gunmen hired by a Pierce County topless-tavern operator. The retail enforcement division and the licensing division continued in fiscal 79 to monitor a handful of topless taverns and restaurants with records of violating state laws and Board regulations. In several cases that were appealed, state courts upheld Board efforts to bring these establishments into compliance with the law. The legal and hearing divisions, at year end, were heavily involved in continuing activity on this front.

A total of 688 administrative citations were issued in fiscal 1979, involving 811 charged violations of all types, lodged against a wide variety of licensees. Local enforcement agencies referred 332 cases to Board enforcement officers, and Board officers initiated 356 others.

The retail enforcement and licensing divisions, statewide, stressed cutting off the illegal flow of liquor to underage drinkers, a growing public concern; stopping over-service, and improving the operation of liquor-by-the-drink establishments which fail to maintain substantial restaurant operations, as required by law and regulation.

Indian Sale of Liquor

Three Indian tribes challenged the state's liquor-control authority this fiscal year, with liquor stores on reservations selling untaxed liquor to state residents. A number of arrests of customers and confiscations of the contraband liquor were made off-reservation, and at year end the issue of Indian liquor sales was before the U.S. Ninth Circuit Court of Appeals in San Francisco as enforcement of state liquor laws continued.